



Rioz, 7 December 2017

ABEO: First half 2017/18 earnings growth

- > Recurring EBITDA of €8.5m, up 9.9%
- > Operating income up 9.3%

**Further acquisitions** 

ABEO, leading designer and manufacturer of sports and leisure equipment, today announces its consolidated results for the first half of 2017/18.

Consolidated H1 2017/18 results (1 April to 30 September 2017) — audited ABEO's Board of Directors met on 7 December 2017 to approve the first half 2017/18 financial statements.

€m	30/09/2016 6 months	30/09/2017 6 months	Change
Revenue	82.3	88.7	+7.8%
Recurring EBITDA <sup>1</sup>	7.7	8.5	+9.9%
% revenue	9.4%	9.6%	+0.2 pt
Recurring operating income	6.1	6.5	+6.9%
Operating income	5.4	5.9	+9.3%
Net income	3.9	3.5	-11.8%

## Robust external growth

ABEO posted H1 2017/18 revenue of €88.7m, up 7.8% versus the same period last year. Organic growth was at 2.1%, consolidating the previous year's exceptional growth (13.1%). Additionally, there was a robust 7.1% growth resulting from recent acquisitions, in accordance with the strategic plan announced at the time of the IPO: Erhard Sport, consolidated in November 2016, Clip 'n Climb International in December 2016 and Sportsafe UK in January 2017. Finally, revenue was impacted by a -1.4% primarily due to the depreciation of the British pound.

#### Improved operating performance

This strong business momentum generated a 9.9% increase in recurring EBITDA, which totalled €8.5m for the first half, up from €7.7m the previous year. The EBITDA margin² was 9.6%, up 0.2 bp over first half 2016/17 and up 0.6 bp over the financial year ended 31 March 2017.

In the Sports division, first half EBITDA dipped €0.3m to €4.5m, resulting in an EBITDA margin of 9.9%. The dilution from the acquisitions was offset by Gymnova's buoyant sales.

The recovery plan and initiatives implemented by ABEO in the Climbing division continued to bear fruit, resulting in a 6.8-point improvement in the EBITDA margin and EBITDA of €1.3m.

<sup>&</sup>lt;sup>1</sup> Recurring operating income + depreciation of fixed assets

<sup>&</sup>lt;sup>2</sup> Recurring EBITDA/revenue



The Changing Rooms division posted EBITDA of €2.7m (down €0.2m), maintaining a strong 10.7% margin. SANITEC confirmed its strong business momentum (revenue up 28%), offset by the postponement of some Swimming Pool projects to the second half.

In line with this increase in EBITDA, operating income amounted to €5.9m, up 9.3% from €5.4m a year earlier.

Finally, after a €0.5m increase in financial expense mainly relating to adverse currency fluctuations and a decline in income from equity affiliates (following the takeover of Clip 'n Climb International in December 2016), **net income came to €3.5m**, a slight decrease of €0.4m compared with the same period last year.

#### **Robust balance sheet**

ABEO recorded cash and cash equivalents of €16.5m at 30 September 2017. Net debt stood at €24.1m, up from €10.6m at 31 March 2017. This increase reflects cash outflows of €5.8m relating to the Sportsafe UK and Clip 'n Climb acquisitions, the payment of dividends (€3m) and the financing of working capital relating to first half business growth.

With equity of €64.2m, ABEO posted a controlled gearing ratio<sup>3</sup> of 0.4.

## Strategy and outlook

ABEO was particularly active in signing partnerships for major sports events, thus generating a steady order backlog over the long term. In fact, the Group was named the official supplier for the 2017 World Women's and 2019 World Men's Handball Championships in Germany, the 49<sup>th</sup> Artistic Gymnastics World Championships in Stuttgart, Germany in 2019, the Basketball World Cup in China in September 2019 and the 2020 Tokyo Olympic and Paralympic Games.

ABEO is expecting stronger growth in the second half of 2017/18 on the basis of a consistently sound order backlog. Furthermore, ABEO will benefit from the consolidation of Meta Trennwandanlagen in Germany as of 1 November 2017. In addition, ABEO signed an agreement to acquire an 80% stake in Shandong Kangnas Sports in China, expected to be closed by early 2018.

Lastly, in line with its 2020 strategic plan designed to step up international growth, ABEO has entered into negotiations for the acquisition of two European companies for its Sports division, representing combined annual revenue of over €10m. These two target acquisitions are expected to be closed by 2017/18 year-end.

ABEO is reaffirming its target to reach €300m in revenue by 2020, driven by organic growth as well as targeted acquisitions.

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Next releases

12 February 2018 before start of trading Q3 2017/18 revenue 22 May 2018 before start of trading FY 2017/18 revenue

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<sup>3</sup> Net debt/equity

# Find out more at www.abeo-bourse.com

## ABOUT ABEO

ABEO is a major player in the sports and leisure ("sportainment") market. The Group posted revenue of €167 million for the year ended 31 March 2017, 70% of which was generated outside France. At year-end it had 1,200 employees.

ABEO is a designer, manufacturer and distributor of sports and leisure equipment. It also provides assistance in implementing projects to professional customers in the following sectors: specialised sports halls and clubs, leisure centres, education, local authorities, construction professionals, etc.

ABEO has a unique global offering, and operates in a wide variety of market segments, including gymnastics apparatus and landing mats, team sports equipment, physical education, climbing walls, leisure equipment and changing room fittings. The Group has a portfolio of strong brands which partner sports federations and are featured at major sporting events, including the Olympic Games.

ABEO (ISIN code: FR0013185857, ABEO) is listed on Euronext Paris – Compartment C.

#### Contacts

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